

15 December 1964

MEMORANDUM FOR : The Director of Logistics

SUBJECT : Request by [REDACTED] for Declassification  
25X1A of Agency Association on Contract [REDACTED] 25X1A

REFERENCE : Letter from [REDACTED] to Deputy Director for  
25X1A Support, dated 11 December 1964.

1. In accordance with your oral instructions of 15 Dec 64, I have made a study and analysis of the request in the above reference for declassification of Agency Association in Contract [REDACTED] 25X1A

2. In my opinion, Agency Association should not be declassified. [REDACTED] Assistant for Plans & Development, WPIC, the original classifier, emphatically concurs in this opinion.

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3. Agency Association was properly classified SECRET in accordance with the policy directive from the Director of Security, dated 5 October 1962, which established the criteria for classification of WPIC contracts. This policy directed that Agency Association be classified in contracts that disclose extensive or increased CIA activity in the PI field through large or unusual procurement of supplies or services, also in most cases if the contracts have to be monitored by WPIC personnel and/or delivery of the product would be made by the contractor to [REDACTED] This

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particular contract comes within those categories, as verified by [REDACTED] 25X1A We also wished to conceal the fact that CIA did not have certain capabilities as yet, had a need for same, and was engaging in R&D to acquire these capabilities. Cancellation of this contract has not changed the picture, inasmuch as WPIC now has another company working on the same specific problem and that contract also classifies Agency Association.

4. Aside from the technical reasons for maintaining this classification, there are security objections to declassification. This contract was written in alias and the same alias is used on innumerable active and sensitive CIA contracts at the present time. Compromise of this alias would be a very serious matter.

Declass review by NIMA / DoD

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of Agency Association on Contract [REDACTED]

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The only way this could be avoided would be [REDACTED] back date this  
open CIA contract in true names, and recovery or sterilization  
and correspondence referring to the alias Contracting Officer.

3. I have checked with both ICAD and NPIC. The Contractor's claim that the classified and open contracts were audited and technically monitored by the same individuals is substantially correct. This is often done under controlled security conditions whereby the Agency employees deal only with cleared persons at the contractor's facility. Both NPIC and ICAD emphatically deny that there was any security violation by Agency personnel. NPIC admits that uncleared persons may have assumed that [REDACTED] was a CIA contract as their technical representatives are often known as CIA in trade circles; also, the contractor was then employing one former CIA employee who knew the NPIC technical representatives. From a study of our security files on this firm I am much more inclined to place the blame for any "compromise" on the firm itself, as they could not or would not comply with sterility requirements. Their final report on [REDACTED] is a classic example. It contains numerous references to CIA, although it was supposed to be Agency sterile. They did other such things as dictating classified letters to uncleared stenographers, etc. I personally would not rule that a contract is "compromised" just because some uncleared employees know or surmise that CIA is the sponsor. If these employees had proof of their knowledge or surmises, or if this information has been transmitted to a foreign government, the claim of "compromise" would be more realistic.

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4. I recommend that the request for declassification be denied. I suggest that this contractor be advised, however, that arrangements can still be worked out so that his lawyers can have access to the classified contract and correspondence. This will require that he submit clearance requests on his attorneys; that they be briefed by OL/BS, and that they have approved storage facilities for the CONFIDENTIAL documents. We can approve a file cabinet secured with a bar and a S&G changeable combination padlock and, if this is not available, arrangements can be made for the attorneys to keep classified material during non-working hours in a bank safety deposit box.

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OL/BS: [REDACTED] mjd/2817 (16 Dec 64)